

## **AGOA+ TOOLKIT: LESSONS LEARNED ILLUSTRATED BY ETHIOPIA'S AGOA+ PROJECT**

*This Toolkit, derived from the “AGOA+ Case Study,” summarizes the critical lessons learned from a successful trade development project. These lessons are divided into the design and implementation phases.*

### **DESIGN PHASE**

- 1) *Understand the logic of existing trade patterns and relationships.*

Understand the trade regime of a country, including who its traditional and current trading partners are, what types of products are exported/imported, and what trade agreements offer preferences that might influence the trade flows.

- 2) *Recognize policy, infrastructure, administrative, and regulatory constraints.*

Trade capacity building (TCB) projects like AGOA+ can help address the major constraints that inhibit export growth, but sequencing is important.

- 3) *Leverage political and material support from the U.S. Government (USG) community.*

TCB projects succeed when they are an interagency effort, especially with the four AGOA statutory agencies: a) Department of Commerce; b) Department of the Treasury; c) U.S. Department of State; and d) Office of the U.S. Trade Representative. Leveraging technical assistance and funds from other agencies, such as the U.S. Department of Agriculture, or

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programs, such as USAID's Development Credit Authority, can also be very useful.

- 4) *Cultivate high-level reform and pro-trade champions in government.*

The most successful donor projects have clear, strong support from leaders within a host government. Use the following techniques to secure that support: a) understand the host country's economic policies, priorities, and sensitivities and find complementarities between your programmatic objectives and theirs; b) leverage senior USG support in engaging senior government leaders; and c) know how to support reform champions, including recognizing their interests may change over time.

- 5) *Cultivate business leader support.*

Finding opportunities for the private sector to show leadership in TCB projects, support project activities, and advocate for pro-trade reforms can make a project more credible and effective. Local business leaders are often more persuasive in influencing government decision-makers than the best technical analysis.

- 6) *Identify an appropriate project niche suitable to the resources available.*

Use important analytic research conducted by USAID and others, including sector selection, exploring the applicability of a value-chain approach, and evaluating the constraints to export growth, at the design phase to avoid time-consuming steps when the project begins. Once operational, take advantage of others' progress without duplicating efforts.

7) *Find opportunities to lower costs.*

Opportunities exist at each step of the design phase to increase efficiency, reduce cost, and add value. Cooperative efforts with existing projects, such as sharing office space and communications equipment and transportation as well as using non-expendable property left over from closed projects, are cost-saving measures.

## IMPLEMENTATION PHASE

1) *Choose the right business-centric team.*

The team should have the international business and production management expertise to select and assist the most promising clients. Ideally, Chiefs of Party (CoPs) and other key staff should: a) have MBAs or similar degrees and actual export experience in trade between sub-Saharan Africa and the U.S.; b) be comfortable with building business relationships with government and host-country private sector leaders and the U.S. Mission; c) have the appropriate contacts and skill to brief other-country Ambassadors and their commercial teams.

2) *Consider hiring a qualified Third Country National for senior project leadership.*

It is preferable to hire a CoP who has: a) cross-cultural skills, but first-world business acumen; b) a transactional personality – one that excels in the promotion of business deals between buyers and sellers; c) strict ethical boundaries and an understanding of USAID principles regarding such transactions; and d) the contacts and skill to brief other country Ambassadors and their teams.

3) *Create and manage an effective AGOA Committee.*

Following are some guidelines for forming and managing an AGOA Committee to secure and maintain momentum for the project's goals: a) set clear goals, with tactical steps included; b) use prior analysis to determine who the most important participants are; c) establish a consultative rather than directive role for the Committee, particularly in countries emerging from a centrally planned economy; d) ensure

there is an odd number of committee members to preserve a voting majority; e) establish a larger representation from private sector and civil society than government; f) schedule regular, but not too frequent, meetings that are briskly paced and have robust, meaningful agendas.

4) *Create a calendar of AGOA events.*

Provide a rolling 24-month calendar of AGOA events that include the annual AGOA Forum, senior USG trade missions or visits, AGOA workshops in other countries, and significant U.S. trade shows to allow key officials to plan participation and recognize the project's role in helping promote the country's exports.

5) *Identify and attend regional/international events that can advance your project.*

Being an active player in networking and sales events builds credibility and enables you to take advantage of opportunities. If possible, accompany the host country delegation to the AGOA Forum to build trust and rapport.

6) *Select your exporters, don't let the exporters select you.*

Establish clear sectoral and firm-level criteria to determine which firms will receive assistance and redirect those potential exporters who do not fit the criteria. Having clear, published guidelines for assistance will help avoid misunderstandings and disappointment among firms that are not yet export-ready or in a non-priority sector. Be flexible, however, as unanticipated export opportunities will ultimately arise.

7) *Engage non-traditional trading groups.*

Engaging emerging market segments, such as women or Diaspora, may create a deeper and broader development impact from trade and can contribute to economic growth. Advantages include: a) gaining public diplomacy support for AGOA success stories; b) marketing advantages from selling a product that is socially responsible or sold through fair trade; and c) unique opportunities to help subsistence farmers plug into specialty market opportunities.

8) *Leverage international resources.*

The United States and the European Union (EU) often have similar requirements for exports, but it is important for countries to have certifications for both markets. The EU can offer different marketing opportunities for African countries for a broader array of products. Other potential sources of funds and technical support include: a) World Bank or other donor projects; c) The World Trade Organization and International Trade Center representatives; c) other in-country or regional officials who deal with intra-African trade issues including the Regional Economic Communities; and d) other key trading partners – both individual businesses and the Embassies of those countries.

9) *Prioritize trade show management.*

Training attendees to take maximal advantage of the international exposure that comes with attending a trade show results not only in increased trade, but also a greater chance of long-term self-sufficiency. Most new exporters need extensive assistance in: a) identifying trade show opportunities for companies as well as industry consortia, including creating in-bound buying missions; b) pricing a product; c) branding and packaging for export markets; d) facilitating meetings and contacts with country and business representatives; e) participating in a Pan-African display; and f) ensuring appropriate follow up such as sending samples, fulfilling orders on time, and using other credibility-building techniques to guarantee sales.

10) *Emphasize value-addition between farm gate/factory to port.*

Regional and international study tours for key AGOA stakeholders can demonstrate how more successful value chains operate. These study tours can include visits to pre-port facilities such as cold storage, packaging, branding, bar coding, and multi-language labeling operations. Changes in policies and procedures may result once officials and business stakeholders visit these facilities and witness better practices in person and are encouraged

to implement changes on the ground in their own country.

11) *Export Management 101 is critical to AGOA+ success.*

Exposing the basic principles and best practices of export management to as many participants in the value-added chain as possible can result in better production for both domestic and export products.

12) *Attention to small details can yield results.*

Many of the countries where TCB projects operate have poor business environments with significant logistical and bureaucratic roadblocks to the export process. This means that most exporters do not have exposure to minimal standards of international business. Some quick fixes include: a) ensuring that people have internationally acceptable business cards, written in English and with complete contact information; b) emphasizing the importance of using email and responding in a timely manner; c) creating quality sales materials such as well-printed/designed brochures; d) planning for travel in advance, including securing visa applications and tickets; e) pre-trade show role-playing; and f) bringing in experienced trade show management consultants to train for success in the market through all stages of a sale and order fulfillment process.



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